



Southwest Missouri Cable TV, Inc.

P.O. BOX 696 / CARTHAGE, MISSOURI 64836

July 28, 1995

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Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

REFERENCE: Notice of Inquiry in CS Docket No. 95-61

Dear Mr. Caton:

I am writing in response to your request for information concerning the FCC's program access rules and the effect they have had on the competitive viability of small systems and small system operators.

To state an example, General Motors, my local DBS competitor, charges customers the same retail price as our company's wholesale cost for many programming services. If the government earnestly means that DBS and small cable companies are to be competitors, then small cable certainly needs to be placed on the same footing as these competitors. It has been said that in politics, all things are relative. (Unless you have the misfortune of being a small cable operator.) Politicians, including the author of the '92 Cable Act, Senator John Danforth (see enclosed letter), found it attractive to offer nondiscriminatory program access provisions in order to gain our support. Then, of course, when it became convenient following the passage of the act, ignored commitments previously made.

Small cable desperately needs nondiscriminatory program access in order to be competitive. If the author of the legislation tells you you'll have nondiscriminatory program access to programming and then passes the law with those provisions intact, why have small cable operators been denied the same rights afforded others?

Very truly yours,

A. Dean Petersen
President

ADP:cl
Enc.

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March 21, 1990

Mr. A. D. Peterson
Vice President
Southwest Missouri Cable TV, Inc.
P.O. Box 696
Carthage, Missouri 64836

Dear Dean:

Thank you for your letter of March 13th, following up on the meeting in my office. I sincerely appreciate the time and thought that you have put into your efforts to work with me and my staff on the issue of cable television.

Dean, there are aspects of this issue where you and I simply disagree. I believe that reforms are necessary. According to the National Cable Television Association's own statistics, rates for basic cable service in Missouri increased an average of 53 percent between 1986 and 1989. In Jefferson City, the increase was 71 percent; in Cape Girardeau the increase was 100 percent. I believe that cable systems which are not subject to competition from other multichannel providers are monopolies. ("Monopoly" is not a pejorative term; it simply means that a business is the sole provider in an area.) Where cable is not subject to effective competition, it should be subject to regulation. I believe that franchise authorities should have the option of not renewing a cable franchise where the operator is providing inferior service. I believe that local broadcasters should have must carry protection, and should have protection against arbitrary or anticompetitive channel shifting. Finally, I believe that cable programming should be available to non-affiliates on a non-discriminatory basis, and that no one should be allowed to control cable systems serving more than 15 percent of the nation's population.

While we may disagree on the need for reform, or while we may disagree on some aspects of these specific reforms, I am willing to try to find some areas where we can work together. For example, I am willing to work with you and the cable industry to ensure that franchise authorities are not permitted to regulate rates or deny renewals in an unreasonable way. Moreover, as I said in our meeting, there are some aspects of my cable reform proposals that I think Southwest Missouri Cable TV should find attractive. The provisions regarding non-discriminatory access to programming and restrictions on nationwide audience are two that come to mind.

Mr. A. D. Peterson
March 21, 1990
Page Two

Dean, again, thank you for your letter. I assure you, my staff and I will work with you on this issue. However, there may be some areas where we will continue to disagree.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Danforth", written in a cursive style.

John C. Danforth